

4-18-01  
cm

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

*[Faint, illegible handwritten notes]*

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

H

W-01969A                      WATER  
HATCH VALLEY WATER COMPANY  
PO BOX 271  
PEACH SPRINGS AZ 86434-0000

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2000
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FOR COMMISSION USE

ANN 04	00
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## COMPANY INFORMATION

**Company Name (Business Name)** HATCH VALLEY WATER COMPANY

**Mailing Address** P. O. BOX 271

(Street)

TRUXTON

(City)

ARIZONA

(State)

86434

(Zip)

(520) 769-2238

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** P. O. BOX 271

(Street)

TRUXTON

(City)

ARIZONA

(State)

86434

(Zip)

(520) 769-2317

Local Office Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

**Email Address** NO

## MANAGEMENT INFORMATION

**Management Contact:** RICHARD SCHNEIDER

(Name)

(Title)

HC 35 BOX 21

(Street)

PEACH SPRINGS

(City)

AZ

(State)

86434

(Zip)

(520) 769-2238

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

**Email Address** NO

**On Site Manager:** RICHARD SCHNEIDER

(Name)

HC 35, BOX 21

(Street)

PEACH SPRINGS

(City)

AZ

(State)

86434

(Zip)

(520) 769-2317

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

**Email Address** NO

**Statutory Agent:** RICHARD SCHNEIDER

(Name)

HC 35 BOX 21

(Street)

16359 HUALAPAI DR., PEACH SPRINGS

(City)

AZ

(State)

86434

(Zip)

(520) 769-2238

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☒ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe) \_\_\_\_\_**

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☒ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

**COMPANY NAME** HATCH VALLEY WATER COMPANY

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	1200.00	-0-	1200.00
304	Structures and Improvements	7613.00	1197.80	6415.20
307	Wells and Springs	9174.27	9174.27	-0-
311	Pumping Equipment	13486.36	13107.53	378.83
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	9795.50	6906.59	2888.91
331	Transmission and Distribution Mains	24070.38	16645.21	7425.17
333	Services			
334	Meters and Meter Installations	2959.90	2936.93	22.97
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	256.04	224.76	31.28
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	424.01	424.01	-0-
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>68979.46</b>	<b>50617.10</b>	<b>18362.36</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME** HATCH VALLEY WATER COMPANY

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	1200.00	N/A	-0-
304	Structures and Improvements	7613.00	7.7696%	712.80
307	Wells and Springs	9174.27	100%	-0-
311	Pumping Equipment	13486.36	3.2215%	434.46
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	9795.50	3.4029%	333.33
331	Transmission and Distribution Mains	24070.38	8.1022%	1950.24
333	Services			
334	Meters and Meter Installations	2959.90	3.0406%	90.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	256.04	8.1472%	20.86
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	424.01	100%	-0-
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>			<b>3541.69</b>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

**COMPANY NAME**

HATCH VALLEY WATER COMPANY

**BALANCE SHEET**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 18482.96	\$ 11175.13
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2766.33	2279.37
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	287.92	287.66
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 21537.21	\$ 13742.16
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 61851.46	\$ 68979.46
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(47075.41)	(50617.10)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 14776.05	\$ 18362.36
	<b>TOTAL ASSETS</b>	\$ 36313.26	\$ 32104.52

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

### BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 143.14	\$ 204.80
232	Notes Payable (Current Portion)	3704.56	3767.72
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	294.89	254.50
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	704.09	716.60
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 4846.68	\$ 4943.62
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 38627.11	\$ 37058.97
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 43473.79	\$ 42002.59
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ (36680.00)	\$ (36680.00)
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	29519.47	26781.93
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ (7160.53)	\$ (9898.07)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 36313.26	\$ 32104.52

## COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 21301.05	\$ 20936.04
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 21301.05	\$ 20936.04
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	2689.83	2513.80
618	Chemicals	560.00	65.00
620	Repairs and Maintenance	1380.75	5698.04
621	Office Supplies and Expense	808.49	752.52
630	Outside Services	6460.58	6250.00
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	527.21	542.26
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1829.04	1442.80
403	Depreciation Expense	3101.01	3541.69
408	Taxes Other Than Income	987.44	960.49
408.11	Property Taxes	962.82	917.45
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 19307.17	\$ 22684.05
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 151.98	\$ 129.01
421	Non-Utility Income	2120.75	586.72
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(1765.28)	(1705.26)
	<b>TOTAL OTHER INCOME/EXP</b>	\$ 507.45	\$ ( 989.53)
	<b>NET INCOME/(LOSS)</b>	\$ 2501.33	\$ (2737.54)



**COMPANY NAME** HATCH VALLEY WATER COMPANY

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	12/27/79	12/31/94		
Source of Loan		SUBSCRIBERS AID TO CONSTRUCTION	FUND	
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 50,000.00	\$ 8,468.32	\$	\$
Amount Outstanding	\$ 33,431.30	\$ 7,665.55	\$	\$
Date of Maturity	12/31/2017	12/31/04		
Interest Rate	5%			
Current Year Interest	\$ 1705.18	\$	\$	\$
Current Year Principle	\$ 1234.82	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

**COMPANY NAME** HATCH VALLEY WATER COMPANY

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
	7½	60	2"	
	SUBMERSIBLE			

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = \_\_\_\_\_

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3/4	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1	20,000	10,000	1
		5,000	1

## STATISTICAL INFORMATION

Total number of customers 56

Total number of gallons sold 556,800 gallons

COMPANY NAME HATCH VALLEY WATER COMPANY YEAR ENDING 12/31/2000

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 904.94

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY NAME HATCH VALLEY WATER COMPANY

YEAR ENDING 12/31/2000

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

R. L. Schneider  
SIGNATURE

4/12/01  
DATE

R. L. Schneider  
PRINTED NAME

PRESIDENT  
TITLE

COMPANY NAME HATCH VALLEY WATER COMPANY YEAR ENDING 12/31/2000

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ 904.94

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>MOHAVE</u>	
NAME (OWNER OR OFFICIAL) TITLE <u>RICHARD SCHNEIDER</u>	<u>PRESIDENT</u>
COMPANY NAME <u>HATCH VALLEY WATER COMPANY</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2000</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 20936.04

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 1307.26

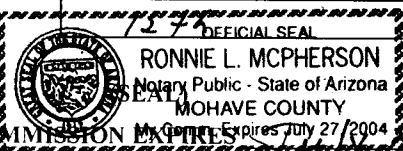
IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12<sup>th</sup> DAY OF



R. Schneider  
SIGNATURE OF OWNER OR OFFICIAL  
520-769-2317  
TELEPHONE NUMBER

COUNTY NAME <u>Mohave</u>	
MONTH <u>April</u>	YEAR <u>20 01</u>

Ronnie L. McPherson  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES July 27, 2004

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) MOHAVE	
NAME (OWNER OR OFFICIAL) RICHARD SCHNEIDER	TITLE PRESIDENT
COMPANY NAME HATCH VALLEY WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ 17893.72
--

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 1085.03  
IN SALES TAXES BILLED, OR COLLECTED

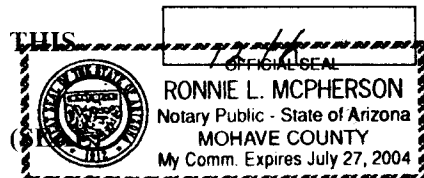
\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X R Schneider  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 31 DAY OF



MY COMMISSION EXPIRES July 27, 2004

NOTARY PUBLIC NAME <u>Ronnie L. McPherson</u>	
COUNTY NAME <u>Mohave</u>	
MONTH <u>April</u>	20 <u>01</u>

X Ronnie L. McPherson  
SIGNATURE OF NOTARY PUBLIC



MOHAVE COUNTY, ARIZONA  
TAX YEAR: 2000

~~POSTING KEY~~

00239

TAX DISTRIBUTION				TAX SUMMARY (3)	
TAX CODE	TAX JURISDICTION	2000 TAX	1999 TAX	CURRENT RATE/100	
02000	MOHAVE COUNTY	165.82	211.29	1.75000	PRIMARY
02001	School Equalization	48.54	.00	.51230	AD VALOREM TAX
05022	VALENTINE C.O. PRIMARY	196.45	192.95	2.07330	LESS STATE AID
06100	MO UN HG SCH CAP O/L	213.14	198.06	2.24940	TO EDUCATION
08150	MOHAVE COMMUNITY COLLEGE	89.23	85.24	.94170	NET PRIMARY
11216	TRUXTON FD	72.35	135.38	.76350	AD VALOREM TAX
11900	FIRE DIST ASSIST FUND	9.48	9.30	.10000	SECONDARY
14900	MO CO LIBRARY DIST	28.30	27.77	.29860	AD VALOREM
15000	MO CO FLOOD CONTROL DIST	3.95	3.94	.50000	SPECIAL
28000	MO CO TV CID	8.21	8.06	.08670	DISTRICT TAX
56100	MCUHS SECONDARY SD #30	44.71	45.47	.47180	SPECIAL
					ASSESSMENTS
					TOTAL TAX DUE ➡
					880.18
					HALF TAX ➡
					440.09
DELINQUENT DATES					
VALUATION DATE					
ASSESSMENT DATE					
THIS IS THE ONLY NOTICE YOU WILL RECEIVE. NO RECEIPT WILL BE SENT UNLESS REQUESTED.					
TOTALS ➡		880.18	917.46		

MOHAVE COUNTY  
P-A-I-D

OCT 30 2000 C.S.

TREASURER CR 1301

**TREASURER**

### POSTING KEY

**SECOND 2nd HALF TAXES  
ARE DELINQUENT AFTER  
MAY 1, 2001**

**IMPORTANT** - SEE REVERSE SIDE FOR COMPLETE EXPLANATION  
OF YOUR TAX NOTICE AND PAYMENT INSTRUCTIONS.

JAN. 1, 1999

DEC. 31, 1999

MOHAVE COUNTY, ARIZONA  
TAX YEAR: 1999

PARCEL IDENTIFICATION	ROLL NUMBER	TAX AREA CODE	POSTING KEY
9-321-2270	235328	2270	2221955 2226086

TOT VAL OPERATING PROPERTY  
314-19-037

HATCH VALLEY WATER CO  
C/O RICHARD SCHNEIDER-PRES  
HC 35 BOX 21  
PEACH SPRINGS, AZ 86434

ITEM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE
LAND, BLDGS, ETC.	3149	25.0	787
PERSONAL PROPERTY	34051	25.0	8513
TOTAL			
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.		7.3927	58.19
PERSONAL PROPERTY		7.3927	628.35
TOTAL			
ITEM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE
LAND, BLDGS, ETC.	3149	25.0	787
PERSONAL PROPERTY	34051	25.0	8513
TOTAL			
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.		2.9298	23.07
PERSONAL PROPERTY		2.9298	206.85
TOTAL			

TAX CODE	TAX JURISDICTION	1999 TAX	1998 TAX	CURRENT RATE/100	TAX SUMMARY
02000	MOHAVE COUNTY	162.77	159.72	1.75000	PRIMARY
08100	MOHAVE COMMUNITY COLLEGE	85.24	80.21	.91660	AD VALOREM TAX
02000	SCHOOL EQUALIZATION	48.52	48.37	.52170	LESS STATE AID
05002	VALENTINE ELEM SD #22	192.95	247.97	2.07480	TO EDUCATION
06100	MOHAVE UNION HIGH SCHOOL	198.06	198.18	2.12960	NET PRIMARY
56100	MUHS SECONDARY	45.47	45.37	.48890	AD VALOREM TAX
11216	TRUXTON FIRE DIST	135.38	136.90	1.45560	SECONDARY
28000	MO CO TV CID	8.06	7.92	.08670	AD VALOREM
11900	FIRE DIST ASSIST FUND	9.30	9.13	.10000	SPECIAL
14900	MO CO LIBRARY DIST	27.77	24.97	.29860	DISTRICT TAX
15000	MO CO FLOOD CONTROL DIST	3.94	4.08	.50000	SPECIAL
					ASSESSMENTS
					TOTAL TAXES
					DEFERRED DATES
					1ST HALF NOV 01, 1999
					2ND HALF MAY 01, 2000
					VALUATION DATE
					ASSESSMENT DATE
					THIS IS THE ONLY NOTICE YOU WILL RECEIVE.
					NO RECEIPT WILL BE SENT UNLESS REQUESTED.

MOHAVE COUNTY  
P-A-I-D

OCT 28 1999

TREASURER

MOHAVE COUNTY

P-A-I-D

MAY 1 1999

TREASURER

MAY 4, 2000

1254  
464.85

TOTALS

917.45

THIS IS THE ONLY NOTICE YOU WILL RECEIVE.  
NO RECEIPT WILL BE SENT UNLESS REQUESTED.

Information Return of U.S. Persons With  
Respect to Certain Foreign Corporations

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by  
section 898) (see instructions) beginning 01/01/2000 and ending 12/31/2000File in Duplicate  
(see When and Where  
To File in the  
instructions)

Name of person filing this return

AWARENESS HOLDINGS, INC.

A Identifying number

86-0838823

Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)

1201 S. ALMA SCHOOL RD., SUITE 8000

City or town, state, and ZIP code

MESA

AZ 85210

Filer's tax year beginning 01/01/2000 and ending 12/31/2000

B Category of filer (See page 2 of the instructions. Check applicable  
box(es)).(1) ☐ (2) ☐ (3) ☐ (4) ☒ (5) ☒C Enter the total percentage of voting stock of the foreign corporation  
you owned at the end of its annual accounting period

100.0000

D Person(s) on whose behalf this information return is filed

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
HARRY TAHILIANI	CHANDLER, ARIZONA, USA	600-59-0517	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
MARK TAHILIANI	CHANDLER, ARIZONA, USA	600-55-5581	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Important: Fill in all applicable lines and schedules. All information **MUST** be in the English language. All amounts  
**MUST** be stated in U.S. dollars unless otherwise indicated.

CANADIAN DOLLARS

Enter the foreign corporation's functional currency ▶

1.4979029

1a Name and address of foreign corporation

AWARENESS CORPORATION (CANADA)

b Employer identification number, if any

N/A

c Country under whose laws incorporated

CANADA

d Date of incorporation

02/24/1994

e Principal place of business

CANADA

f Principal business activity  
code number (NEW)

422210

g Principal business activity

HEALTH ITEM SALES

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any)  
in the United States

AWARENESS HOLDINGS, INC.

b If a U.S. income tax return was filed, please show:

(i) Taxable income or (loss)

(ii) U.S. income tax paid  
(after all credits)

NONE

NONE

c Name and address of foreign corporation's statutory or resident agent in  
country of incorporationd Name and address (including corporate department, if applicable) of  
person (or persons) with custody of the books and records of the foreign  
corporation, and the location of such books and records, if different

## Schedule A Stock of the Foreign Corporation

## Part I - ALL Classes of Stock

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	100,000.	100,000.

## Part II - Additional Information for PREFERRED Stock

(To be completed only by Category (1) filers for foreign personal holding companies)

(a) Description of each class of PREFERRED stock (Note: This description should match the corresponding description entered in Part I, column (a).)	(b) Par value in functional currency	(c) Rate of dividend	(d) Indicate whether the stock is cumulative or noncumulative
N/A			

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Form 5471 (Rev. 1-99)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder <b>(Note: This description should match the corresponding description entered in Schedule A, Part I, column (a).)</b>	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
AWARENESS HOLDING, INC. 2222 S. DOBSON RD. SUITE 502 MESA, AZ 85202	COMMON	98,000.0000	100,000.0000	

**Important:** Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1 a Gross receipts or sales . . . . .	1a 4,939,110.	3,297,350.
	b Returns and allowances . . . . .	1b	
	c Subtract line 1b from line 1a . . . . .	1c 4,939,110.	3,297,350.
	2 Cost of goods sold . . . . .	2 2,021,069.	1,349,266.
	3 Gross profit (subtract line 2 from line 1c) . . . . .	3 2,918,041.	1,948,084.
	4 Dividends . . . . .	4	
	5 Interest . . . . .	5 56,300.	37,586.
	6 Gross rents, royalties, and license fees . . . . .	6	
	7 Net gain or (loss) on sale of capital assets . . . . .	7	
8 Other income (attach schedule) . . . . .	8 279,885.	186,851.	
9 Total income (add lines 3 through 8) . . . . .	9 3,254,226.	2,172,521.	
Deductions	10 Compensation not deducted elsewhere . . . . .	10 1,523,914.	1,017,365.
	11 Rents, royalties, and license fees . . . . .	11 600.	401.
	12 Interest . . . . .	12 2,605.	1,739.
	13 Depreciation not deducted elsewhere . . . . .	13 2,085.	1,392.
	14 Depletion . . . . .	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes) . . . . .	15 913.	610.
	16 Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes) . . . . .	16 1,841,548.	1,229,418.
	17 Total deductions (add lines 10 through 16) . . . . .	17 3,371,665.	2,250,925.
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) . . . . .	18 -117,439.	-78,402.
	19 Extraordinary items and prior period adjustments (see instructions) . . . . .	19	
	20 Provision for income, war profits, and excess profits taxes (see instructions) . . . . .	20 79,847.	53,306.
	21 Current year net income or (loss) per books (line 18 plus line 19 minus line 20) . . . . .	21 -197,286.	-131,708.

**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued** (See page 4 of instructions.)

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2 <b>CORPORATE TAXES</b>	79,847.	0.66760	53,306.
3			
4			
5			
6			
7			
8 Total			53,306.

**Schedule F Balance Sheet**

**Important:** Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	250,846.	25,516.
2a Trade notes and accounts receivable	2a	67,183.	51,877.
b Less allowance for bad debts	2b	( )	( )
3 Inventories	3	322,295.	208,875.
4 Other current assets (attach schedule) <b>SEE STATEMENT 9.</b>	4	19,722.	154,722.
5 Loans to stockholders and other related persons	5	NONE	NONE
6 Investment in subsidiaries (attach schedule)	6		
7 Other investments (attach schedule) <b>SEE STATEMENT 9.</b>	7	17,980.	NONE
8a Buildings and other depreciable assets	8a	37,628.	37,675.
b Less accumulated depreciation	8b	( 35,825. )	( 37,275. )
9a Depletable assets	9a		
b Less accumulated depletion	9b	( )	( )
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12 Other assets (attach schedule)	12		
13 Total assets	13	679,829.	441,390.
Liabilities and Stockholders' Equity			
14 Accounts payable	14	235,555.	157,818.
15 Other current liabilities (attach schedule) <b>SEE STATEMENT 9.</b>	15	9,845.	65,814.
16 Loans from stockholders and other related persons	16	371,578.	372,042.
17 Other liabilities (attach schedule)	17	NONE	NONE
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b	69.	69.
19 Paid-in or capital surplus (attach reconciliation)	19		
20 Retained earnings	20	62,782.	-70,105.
21 Less cost of treasury stock	21	( NONE )	( 84,248. )
22 Total liabilities and stockholders' equity	22	679,829.	441,390.
Does the foreign corporation have an interest in a partnership or trust?			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

**Schedule H Current Earnings and Profits** (See page 5 of the instructions.)**Important:** Enter the amounts on lines 1 through 5c in functional currency.

1	Current year net income or (loss) per foreign books of account	1	-197,287.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
		<b>Net Additions</b>	<b>Net Subtractions</b>
a	Capital gains or losses		
b	Depreciation and amortization		
c	Depletion		
d	Investment or incentive allowance		
e	Charges to statutory reserves		
f	Inventory adjustments		
g	Taxes		
h	Other (attach schedule)		
3	Total net additions		
4	Total net subtractions		
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	-197,287.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c	Combine lines 5a and 5b	5c	-197,287.
d	Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions))	5d	-131,709.
	Enter exchange rate used for line 5d		1.4979029

**Schedule I Summary of Shareholder's Income From Foreign Corporation** (See page 5 of the instructions.)

1	Subpart F income (line 40b, Worksheet A in the instructions)	1	
2	Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

- Was any income of the foreign corporation blocked? Yes ☐ No ☒  
 • Did any such income become unblocked during the tax year (see section 964(b))? Yes ☐ No ☐  
 If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J  
(Form 5471)**

(Rev. January 1999)  
Department of the Treasury  
Internal Revenue Service

# **Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ **Attach to Form 5471.**

Name of person filing Form 5471

AWARENESS HOLDINGS, INC.

Name of foreign corporation

AWARENESS CORPORATION (CANADA)

Identifying number

86-0838823

**Important.** Enter amounts in functional currency.

	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)		(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	
<b>1</b> Balance at beginning of year	112,340.				112,340.
<b>2a</b> Current year E&P					
<b>b</b> Current year deficit in E&P	197,287.				
<b>3</b> Total current and accumulated E&P not previously taxed (line 1 plus line 2a, minus line 2b)	-84,947.				
<b>4</b> Amounts included under section 951(a) or reclassified under section 959(c) in current year					
<b>5a</b> Actual distributions or reclassifications of previously taxed E&P					
<b>b</b> Actual distributions of nonpreviously taxed E&P					
<b>6a</b> Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)					
<b>b</b> Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	-84,947.				
<b>7</b> Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	-84,947.				-84,947.

For Paperwork Reduction Act Notice, see page 1 of the separate Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 1-99)

JSA

0X1665 1 000

**Transactions Between Controlled Foreign Corporation  
and Shareholders or Other Related Persons**

OMB No 1545-0704

▶ Attach to Form 5471.

Name of person filing Form 5471

Identifying number

**AWARENESS HOLDINGS, INC.**

**86-0838823**

Name of foreign corporation

**AWARENESS CORPORATION (CANADA)**

**Important:** Complete a separate Schedule M for each controlled foreign corporation. Enter the totals (in U.S. dollars) for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). Translate all amounts from functional currency to U.S. dollars using the appropriate exchange rate for the tax year of the foreign corporation. See page 9 of the instructions.

**CANADIAN DOLLAR**

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶

**1.4979029**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) . . . . .					
2 Sales of property rights (patents, trademarks, etc.) . . . . .					
3 Compensation received for technical, managerial, engineering, construction, or like services . . . . .		65,879.			
4 Commissions received . . . . .					
5 Rents, royalties, and license fees received . . . . .					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income) . . . . .					
7 Interest received . . . . .					
8 Premiums received for insurance or reinsurance . . . . .					
9 Add lines 1 through 8 . . . . .		65,879.			
10 Purchases of stock in trade (inventory) . . . . .		86,793.			
11 Purchases of tangible property other than stock in trade . . . . .					
12 Purchases of property rights (patents, trademarks, etc.) . . . . .					
13 Compensation paid for technical, managerial, engineering, construction, or like services . . . . .					
14 Commissions paid . . . . .					
15 Rents, royalties, and license fees paid . . . . .					
16 Dividends paid . . . . .					
17 Interest paid . . . . .					
18 Add lines 10 through 17 . . . . .		86,793.			
19 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . . . .		159,442.			
20 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . . . .		52,448.			

For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 1-99)



FORM 5471, PAGE 2 DETAIL

SCH C, LINE 8 - OTHER INCOME

OTHER INCOME	279,885.	186,851.
TOTAL	279,885.	186,851.

SCH C, LINE 15 - TAXES

TOTAL	913.	610.
TOTAL	913.	610.

SCH C, LINE 16 - OTHER DEDUCTIONS

BAD DEBT EXPENSE	91,451.	61,053.
CHARITABLE CONTRIBUTIONS	3,680.	2,457.
DEVELOPMENT & TESTING	17,119.	11,429.
MANAGEMENT FEE	1,566,589.	1,045,855.
MISCELLANEOUS	38,495.	25,699.
PROFESSIONAL FEES	61,711.	41,198.
SUPPLIES	1,630.	1,088.
TELEPHONE/FAX	16,480.	11,002.
TRAVEL	44,393.	29,637.
TOTAL	1,841,548.	1,229,418.

SCH C, LINE 20 - PROVISION FOR TAXES

TOTAL	79,847.	53,306.
TOTAL	79,847.	53,306.

FORM 5471, PAGE 3 DETAIL

	BEGINNING	ENDING
SCH F, LINE 4 - OTHER CURRENT ASSETS	-----	-----
INTERCOMPANY REC	NONE	117,817.
PREPAID INVENTORY	19,722.	30,019.
INCOME TAX REC	NONE	6,886.
TOTALS	19,722.	154,722.
	=====	=====
SCH F, LINE 7 - OTHER INVESTMENTS		
CERTIFICATE OF DEPOSIT	7,124.	NONE
SHORT-TERM INVESTMENTS	10,856.	NONE
TOTALS	17,980.	NONE
	=====	=====
SCH F, LINE 15 - OTHER CURRENT LIABILITIES		
ACCRUED COMMISSIONS	125,599.	65,814.
INCOME TAX PAYABLE	-175,348.	NONE
LOAN PAYABLE - AWARENESS	-129.	NONE
ACCRUED EXPENSES	5,852.	NONE
GST ADJUSTMENT	53,871.	NONE
TOTALS	9,845.	65,814.
	=====	=====

# HUSTON AND HUSTON, C.P.A.'S, P.C.

## CERTIFIED PUBLIC ACCOUNTANTS

Needles, California  
(760) 326-2777

1849 Airfield Avenue  
Kingman, Arizona 86401  
(520) 753-6720  
FAX (520) 753-9696

1285 Hancock  
Riviera, Arizona 86442  
(520) 763-6720

March 15, 2001

HATCH VALLEY WATER COMPANY  
P. O. Box 271  
Peach Springs, Arizona 86434

Re: Annual Utility Report to Arizona Corporation Commission

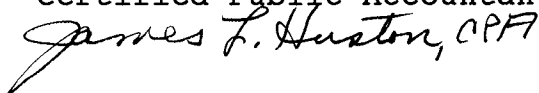
We have compiled the accompanying balance sheet of HATCH VALLEY WATER COMPANY (a non-profit corporation) as of January 1, 2000 and December 31, 2000 and the comparative statements of income and expenses for the years ending December 31, 1999 and 2000 in the accompanying prescribed form, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

This report is intended for the information and use of the board of directors and management of HATCH VALLEY WATER COMPANY and the Arizona Corporation Commission. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

James L. Huston  
Certified Public Accountant



JLH:jlm